

Date: 7/21
From: Jones

D/HA - Jones
Comments to LWB
in T As AP

	INFO	ACTION	INITIALS
Ms. Derian	X	X	
Mr. Schneider	X	X	
Mr. Jones			an ian
Mr. Hill			ales to Argentina for Human
Ms. Bova			
Mr. Brody			
Ms. Hanson			be in denying pending
Mr. Heilsnis			Sales (FMS) to the armed
Ms. Hanley			where there are serious
Ms. Capps			
ALL			

FILE -

COMMENTS: I got the
longer part into the
next draft of our
suggestions including
especially details
on H.R.C. violations and
business about obstruction.
In spite of heaviest
pressure from Helib &
Benson, I still have
problems. Condor will
try to get L clearance. When
he doesn't at 9:00 A.M. with

ports Control Act expresses
option and encouragement of
rights and fundamental
policy of not providing
y engaged in a consistent
lations and directs the
t security assistance pro-
the stated policies and
ffending governments.

~~Department of State, A/GIS/IPS/SRP~~
~~Change to~~

Release () Excise () Deny () Declassify

Exemptions b () () E.O. 13526 25x () () ()

Declassify after _____

With concurrence of:

IPS by GD obtained not obt. Date 12-15-16

Date: 7/19 URGEN
 From: Sovar

DHTA ~
 Comments to WTB
 in T As AP

INFO ACTION INITIALS

	X	
Ms. Derian	X	
Mr. Schneider		
Mr. Jones	<u>Derian To</u>	
Mr. Hill		
Ms. Bova		
Mr. Brody		
Ms. Hanson		
Mr. Heilsnis		
Ms. Hanley		
Ms. Caups		
ALL		

FILE -

COMMENTS:

ARGENTINA

PAPER:

I received
approval with
suggestions I
have indicated
PLEASE - URGENT

be in denying pending
Sales (FMS) to the armed
where there are serious

ports Control Act expresses
otion and encouragement of
rights and fundamental
a policy of not providing
ry engaged in a consistent
ulations and directs the
it security assistance pro-
the stated policies and
ffending governments.

~~Department of State, A/GIS/IPS/SRP~~

Change to _____
 Release () Excise () Deny () Declassify
 Exemptions b () () E.O. 13526 25x ()()
 Declassify after _____
 With concurrence of:
 obtained _____ not obt.
 IPS by S Date 12-15-16

DRAFTCONFIDENTIAL
(WITH SECRET ATTACHMENT)D/HA - Jones
Comments to (W)
in T As AP

TO: The Secretary

THROUGH: P - Mr. Habib
T - Mrs. Benson

FROM: ARA - Terence A. Todman
D/HA - Patricia M. Derian
PM - Leslie Gelb

SUBJECT: Restriction of Arms Sales to Argentina for Human Rights Reasons

ISSUES FOR DECISION

How restrictive should we be in denying pending commercial and Foreign Military Sales (FMS) to the armed forces and police of Argentina, where there are serious abuses of human rights?

ESSENTIAL FACTORS

Section 502B of the Arms Exports Control Act expresses as United States policy the promotion and encouragement of internationally recognized human rights and fundamental freedoms. It further expresses a policy of not providing security assistance to any country engaged in a consistent pattern of gross human rights violations and directs the President to formulate and conduct security assistance programs in a manner which promotes the stated policies and avoids identifying the USG with offending governments.

~~Department of State, A/GIS/IPS/SPR~~
 Change to
 Release () Excise () Deny Declassify
 Exemptions b () () E.O. 13526 25x () ()
 Declassify after _____
 With concurrence of:
 obtained _____ not obt.
 IPS by *[initials]* Date *12-6-16* (b)

~~CONFIDENTIAL~~

- 2 -

including ~~the~~ ~~detention~~ of ~~political~~ political prisoners, arbitrary and prolonged detention, including of ~~political~~ ~~political~~ ~~prisoners~~, torture, and ~~and~~ ~~some~~ ~~unlawful~~ ~~detention~~ ~~in~~ ~~accordance~~

In Argentina, there is no question that human rights are being seriously violated, although there have been some recent signs suggesting some improvement, the level of violation

Forty-five requests for approval of licenses for commercial arms exports to Argentina are pending. The most urgent of these cases is a \$15 million commercial order from Bell-Textron for ~~helicopters~~ ~~for~~ ~~exterior~~ gun mounts and wiring. Two of them are for executive use and the rest for Argentina's Antarctic activities. There are also two outstanding FMS cases, one for Mark-44 torpedoes and one for ammunition.

The Department has been denying FMS sales requests and commercial export licenses for all items related to internal security and is withholding 1977 FMS credits, previously authorized by Congress. FMS credits for years prior to FY 1977, however, are ~~available~~ ~~to finance~~ ~~credits?~~ Congress appears ready to eliminate all FMS transactions and military training grants, but allow one year's grace until September 30, 1978, before the cut-off becomes effective, thus providing some incentive to the Argentine government to improve its human rights performance.

~~CONFIDENTIAL~~

- 3 -

US Interests in Argentina

~~Non-Proliferation~~

*Fred
Rudolf
Walter
has
out*

~~Politico-Military~~ - As the second largest country in Latin America in population, area and per capita GNP, Argentina is and will remain an important political influence in the region and the world. ~~Its thousand miles of coast line gives Argentina a potentially important role in any future contingency involving the Southwestern Atlantic and the straits of Magellan. The U.S., however, has no military facilities in Argentina.~~

It ~~Argentina~~ has substantial uranium reserves and an ambitious nuclear power program. It has the most advanced nuclear capability of any Latin America state and the greatest potential for an autonomous fuel cycle. U.S. efforts to prevent proliferation in Brazil, and Latin America generally, depend critically on Argentina's acceptance of full-scope safeguards (which it has shown a conditional willingness to consider) and deferral of its fuel reprocessing program.

Economic - The U.S. is Argentina's largest trading partner (we currently have a \$250 million trade surplus). U.S. banks hold \$3 billion of Argentina's debts and U.S. industry has some \$1.2 billion invested in the country. Argentina is a major food exporter and may have in its extensive continental shelf large reserves of oil. Although the country has recently suffered severe economic troubles, it is

REPRODUCED AT THE NATIONAL ARCHIVES

~~All of these options~~ ^{world of one} ~~possess~~ ~~the~~
can be re-examined & based
upon recent changes in
the Argentinian human rights performance.

Conflict-Deterrence:
Determine what is necessary to do.

Argentinian Human Rights performance ... and
~~and~~ suggest a review of the options ~~choose~~
regarding

a generally self-sufficient industrial and economic leader in Latin America.

THE OPTIONS

There is general agreement that we should not sell items on the U.S. munitions list related to internal security, civil law enforcement and crowd control to Argentina or sell munitions list items of any kind to Argentine internal security organizations. There is disagreement however, whether we should deny all FMS sales and commercial export licenses for ~~other defense articles~~ on the munitions list, or whether we should ban only the "lethal" equipment, and be prepared to sell non-lethal munitions list equipment.

There are three options:

1. Continue our present policy of denying sales of items related to internal security or destined for internal security organizations but permit FMS cash and commercial sales of other munitions list items for the Argentine military forces ~~including~~ ^{including} ~~on a case-by-case basis.~~ *We could forever ship*

2. Deny all new FMS cash and commercial sales of munitions list items, suspend use of unexpended FMS credits from prior years, and deny export licenses for equipment under order. *An important import export right*

3. Continue our present policy of denying sales of items related to or destined for internal security forces, and, in addition, deny sales of "lethal" equipment to the Argentine military forces. *FMS and Commercial Exports of "non-lethal" items* on the munitions list to these forces would be permitted *(FMS and Commercial Exports)*

Edd Carter about review

~~CONFIDENTIAL~~

- 5 -

Option 1 - Current PolicyPros

-- Preserves a minimal tie with the Argentine armed forces -- a dominant institution in Argentina -- in a period of political instability.

-- Is consistent with our policy toward other countries with poor human rights' records (e.g. Korea, Iran, Philippines)

-- Does least damage to our other interests in Argentina, particularly those involving nuclear non-proliferation.

-- Provides some incentive for the Government to improve its human rights practices before the Congressionally legislated embargo comes into effect.

Cons

-- Will be opposed by a significant number of Congressmen and by other influential groups as inconsistent with the provisions of the Security Assistance Act of 1976.

-- May encourage the Argentine Government (and others) to assume the U.S. Government's human rights policy is ^{overly} ~~only~~ hortative and that its punitive elements can be safely ignored.

~~CONFIDENTIAL~~

- 6 -

Option 2 -~~Temporary H&F embargo~~Pros

-- is consistent with the spirit of the human rights provisions of security assistance legislation

-- sends an unambiguous message to the Argentine government and may strengthen the hand of its moderate elements in trying to improve human rights practices.

-- Will probably have wide public and Congressional support.

Cons

-- Will antagonize the Government and the armed forces and seriously damage such leverage as we have, both on the important nuclear proliferation problems and on human rights.

-- Will force Argentina to look elsewhere for arms, possibly including the USSR, thus complicating U.S. efforts to develop regional arms transfer controls, pursuant to the new arms transfer policy.

-- Would prematurely abandon without trial the policy option of providing positive incentives as well as sanctions to promote human rights.

Option 3 - Non-Lethal SalesPros

Z416

-- Generally similar to Option 1

Cons

-- Similar to Option 1, except that this option creates

~~CONFIDENTIAL~~

- 7 -

a difficult definitional problem (e.g. is a helicopter with hard points for mounting weapons a lethal item, even if the weapons themselves are not sold?)

Recommendations:

That you approve Option 1 to limit denials to internal security weaponry, (favored by ARA, PM and the Department of Defense.

Approve _____ Disapprove _____

ALTERNATIVELY, that you approve Option 2 to deny all FMS cash and commercial export licenses for defense articles on the Munitions List to Argentina, pending a change in its human rights practices (favored by D/HA and S/P)

Approve _____ Disapprove _____

ALTERNATIVELY, that you approve Option 3 to limit denials to "lethal equipment".

Approve _____ Disapprove _____

Significant changes in the Argentine Human Rights practices will trigger a re-examination of the policy adopted.

Clearances:	PM/SAS: Winship	U:DTice
	PM/MC:Robinson	Legal Advisor:Michel
	S/P:RFeinberg	H:CCutter
	ACDA:Wilson (substance)	
	DSD/ISA:MGemRCavazos (substance)	
	D:SOsman	
	T:SIEdogar	

NARA II

80D177

59-82-0095

HA County Files 1977

Box 1

Lat Am - Argentine 1977